to improve the functioning of banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (e) The information is being collected from the public sector banks and, to the extent available, will be laid on the Table of the House.

Revamping of Regional Rural Banks

913. SHRI MURLIDHAR CHANDRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) the losses suffered by the Regional Rural Banks of the country during the last three years;

(b) what are the reasons for the poor performance of these Banks;

(c) whether these Banks have succeeded in achieving the objective for which they were set;

(d) whether Government consider revamping of Regional Rural Banks; and

(e) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The looses incurred by the Regional Rural Banks (RRBs) during the last three years were as under:

(Rs. in crores)

Year	Amount
1989-90	94.01
1990-91	92.87
1991-92	258.66

The position for the year 1992-93 is not available.

(b) The reasons for the poor performances of the RRBs may be classified as under:—

(i) A narrow or negative margin on leadings due to high cost of funds;

(ii) High fixed overheads.

(iii) High servicing cost because of a large number of small accounts.

(iv) Low productivity per employee because of restricted operations.

(c) The RRBs have been helpful in granting credit facilities to the rural areas especially weaker sections of the society in order to improve their economic conditions. The weaker sections of the rural population by and large benefited out of it.

(d) and (e) Government have initiated a process of consultation for restructuring of the RRBs. A number of models have been worked out and effectiveness of each is being examined from all angles. This also includes the proposal for establishment of a National Rural Bank of India (NRBI), with a view to improve the viability of rural banking and increase the flow of credit to rural sector. However, no final decision has so far been taken in this regard.

Trends in the rate of inflation

914. SHRI MURLIDHAR CHANDRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) the trends in the rate of inflation, month-wise on the basis of the Wholesale Price Index & Consumer Price Index during the last six months;

(b) what has been the contribution of administered price hike is the overall price increase; and

(c) what steps have been taken by Government to control prices of essential items?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) The rate of inflation on the basis of Wholesale Price Index and Consumer Price Index during